

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6634**

**BILL NUMBER:** HB 1368

**NOTE PREPARED:** Jan 14, 2008

**BILL AMENDED:**

**SUBJECT:** Industrial Waste Products.

**FIRST AUTHOR:** Rep. Pond

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill requires the Commissioner of the Department of Environmental Management (IDEM) to approve or deny an application for a permit (1) concerning the land application of a material; or (2) for marketing and distribution of a biosolid or an industrial waste product; within 180 days after receiving the application.

The bill requires IDEM and the environmental rulemaking boards to allow a person to use industrial waste products in a land application operation or to produce a soil amendment or soil substitute under certain circumstances. The bill requires IDEM to allow the use of industrial waste products in a land application operation or as a soil amendment or soil substitute on the same basis as other materials under the rules concerning land application and marketing and distribution permits.

The bill prohibits IDEM from (1) discriminating against the use of industrial waste products on the basis that the industrial waste products lack biological carbon or other materials; (2) imposing requirements beyond criteria found in the Water Pollution Control Board rules concerning marketing and distribution permit eligibility criteria for industrial waste products; (3) requiring that the finished soil amendment, soil substitute, or material to be land applied must be of a particular economic value; or (4) requiring that an industrial waste product or the finished soil amendment, soil substitute, or material to be land applied satisfies IDEM's risk integrated system of closures nonrule policy document or any other standards governing the cleanup of contaminated properties.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** *Summary.* The state would experience an increase in expenditures for

the first year that could range from \$512,314 to \$832,314. Costs for the second year could range from \$520,000 to \$844,800. Costs for each year would increase if entry level staffing is not used. Increased expenses for the second year are based on a 1.5% annual cost-of-living increase.

*Background and Additional Details.* A separate regulatory program for industrial waste composting and subsequent land application would require additional staff because it would involve oversight of more waste than the current program of biosolids. In addition to adding types of waste, the program would also require the following additional responsibilities:

Verifying the sampling methodology and laboratory results on a case-by-case basis due to variability, chemical composition, and potential toxicity of the waste.

Determination of safe application rates.

Determination of bioaccumulation rates of the applied materials on human, plant, and animal life.

IDEM would need to inspect and track application sites.

Additional staffing requirements, including fringe benefits and indirect costs, are listed below. Salaries of staff assume entry level.

Position	Category	Entry Level Salary + Benefits and Indirect Costs
Permit Writer	SEM 1	\$69,086
Permit Writer	EE 1	73,414
Q/A Office	EnvChem2	64,437
Soils Chemist	EnvChem2	64,437
Compliance Inspector	EM 2	62,791
Tracking	AA 3	41,152
Mgt/Adm	SEMS 3	56,997
<b>TOTAL</b>		<b>\$432,314</b>

If IDEM were to conduct verification sampling of waste materials proposed for land application from industrial sources, laboratory costs could range from \$16,000 to \$80,000 per proposal. Assuming the agency received five proposals per year, laboratory costs would range from \$80,000 to \$400,000 per year.

The current Land Application Program, including the marketing distribution program, regulates approximately 250 facilities that dispose of approximately 100,000 dry tons of waste annually. One industrial waste facility has indicated an annual production rate approaching 100,000 tons. The provision could encourage other steel mills as well as other types of facilities to do similar types of composting, potentially resulting in additional volume which could require additional regulatory oversight.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those

positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. For FY 2007, IDEM reverted over \$2.7 M in state General Fund revenues.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IDEM.

**Local Agencies Affected:**

**Information Sources:** IDEM.

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